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ABSTRACT

The Goals 2000: Educate America Act is intended to promote coordinated improvements in the nation's education system at the state and local levels. To measure the effectiveness of this initiative, Congress charged the Government Accounting Office to review Goals 2000 efforts to determine how program funds have been spent and how state and local officials view Goals 2000 as a means to promote education reform. The results of that research are discussed in this report. For the study, federal, state, and district officials were interviewed and selected states were visited. National, state, and district documents about the program, including descriptions of each of the 16,375 subgrants made with funds from fiscal years 1994 through 1997, were also collected, along with audit reports and other financial data. Findings show that Goals 2000 funds are being used to support a broad range of education-reform activities at the state and local levels. These funds have been broadly disseminated. State-retained funds were spent primarily for personnel, contracting services, and consultants involved in activities such as managing the Goals 2000 subgrant programs and developing standards and assessments. State officials supported the flexible-funding design of the program as a way of helping them reach their own state's education-reform goals. Six appendices include: program objectives; Goals 2000 allocations by State; State-Retained funds, Fiscal Years 1994-1997; State Subgrant Summary, Fiscal Years 1994-1997; comments from the Department of Education; and GAO contacts. (RJM)

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United States General Accounting Office

GAO

Report to Congressional Committees

ED 426 498

November 1998

GOALS 2000

Flexible Funding Supports State and Local Education Reform

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United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-278982

November 16, 1998

The Honorable William Goodling
Chairman, Committee on Education and the Workforce
House of Representatives

The Honorable Peter Hoekstra
Chairman, Subcommittee on Oversight
and Investigations
Committee on Education and the Workforce
House of Representatives

The Honorable Frank Riggs
Chairman, Subcommittee on Early Childhood,
Youth, and Families
Committee on Education and the Workforce
House of Representatives

Despite broad legislative and public consensus that higher learning standards and other reforms are needed within the nation's schools, there is substantially less agreement about who should be involved setting the agenda for reform. In 1994, the Congress passed the Goals 2000: Educate America Act, which provides grants to states and localities for systemic education reform efforts. Controversy about the extent to which the federal government should be involved in education policy led the Congress to amend the act in 1996 to reduce the requirements states would have to meet to receive access to Goals 2000 funding.

In fiscal years 1994 through 1997, the Department of Education provided more than $1.25 billion in formula-based[1] grants to states under title III of Goals 2000 for the purpose of systemic education reform. The program requires that 90 percent of the funds be awarded as competitive subgrants to local school districts.[2] However, little comprehensive information has been developed to determine what activities these grants are funding at the state or local level. Therefore, you asked us to review the Goals 2000 program to determine (1) how its funds have been spent at both the state and local levels, including the levels of funding for developing standards

[1]State allocations are made on the basis of two factors: 50 percent in accordance with the relative amounts each state would have received under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (ESEA) for the preceding fiscal year; and 50 percent allocated in accordance with the states' relative share under part A of chapter 2 of title I of ESEA for the preceding fiscal year.

[2]In the program's first year, only 60 percent of the Goals 2000 funds had to be awarded as competitive subgrants.

and assessments as well as health education, and (2) how state and local officials view Goals 2000 as a means to promote education reform efforts.

In conducting our work, we interviewed federal, state, and district officials, visited selected states,[1] and reviewed relevant documents. We surveyed Goals 2000 coordinators in all states. We also collected national, state, and district documents about the program, including a description of each of the 16,375 subgrants reported made with funds from fiscal years 1994 through 1997.[2] To obtain in-depth and specific information about how the program has been used to promote education reform, we made site visits to 10 states, where we interviewed state and district officials. We also obtained and reviewed various state and federal audit reports relevant to the examination of Goals 2000 expenditures and obtained financial data from states on the funds they elected to retain at the state level. We conducted our work in accordance with generally accepted government auditing standards between November 1997 and October 1998. (See app. I for further details of our scope and methodology and a list of states we visited.)

Results in Brief

Goals 2000 funds are being used to support a broad range of education reform activities at the state and local levels. Grants to states in the 4 fiscal years that we reviewed ranged from $370,000 to Wyoming in fiscal year 1994 to $54.7 million to California in fiscal year 1997. Over the 4-year period reviewed, Goals 2000 funds have been broadly disseminated: more than one-third of the 14,367 school districts nationwide that provide instructional services have received at least one Goals 2000 subgrant funded with fiscal years 1994 through 1997 funds.

State-retained funds—about 9 percent of the total allocated Goals 2000 funds—were spent primarily for personnel, contracting services, and consultants involved in activities such as managing the Goals 2000 subgrant program and developing standards and assessments for reform activities in local school districts. At the local level, districts used Goals 2000 subgrant funds to pay for education reform initiatives centered on several major categories: local education reform, such as developing reform plans and updating curriculum frameworks; professional

[1] In this report, we use the term "states" to refer also to the governments of the District of Columbia and Puerto Rico. The U.S. Territories also participate in Goals 2000 as states, but our review did not include an examination of their activities.

[2] Several states provided data for some but not all fiscal years for either state-retained funds or subgrants.

development; and technology acquisition and training. Other uses included preservice training for college students who plan on becoming teachers; the development of education standards and assessments; and crosscutting and other activities, including a very small number of grants related to health education activities. For example, Goals 2000 funds paid for teacher training to enhance understanding of new teaching practices and to improve teachers' abilities to use technology in the classroom.

Most states had begun their state education reform efforts prior to receiving Goals 2000 funds; thus, Goals 2000 funds have generally served as an additional resource for ongoing state reform efforts. The districts' Goals 2000 activities—such as curriculum development and alignment with new state standards, teacher training, and technology integration—appear to be aligned with state education reform initiatives. Many state officials reported that Goals 2000 has been a significant factor in promoting their education reform efforts and, in several cases, was a catalyst for some aspect of the state's reform movement. State and local officials said that Goals 2000 funding provided valuable assistance and that, without this funding, some reform efforts either would not have been accomplished or would not have been accomplished as quickly.

State officials told us they supported the flexible funding design of the Goals 2000 state grants program as a way of helping them reach their own state's education reform goals, and they said the program was achieving its purpose of supporting systemic education reform in states and districts. A number of state officials noted that the Congress' discussions about combining Goals 2000 funding with other federal funding in a block grant approach caused them concern, as they believe the increased flexibility of a block grant could increase the risk that the funds would not be spent on education reform. However, Goals 2000, in its present form, appears to be accomplishing what the Congress intended. It is providing an additional and flexible funding source to promote coordinated improvements to state and local education systems.

Background

The Goals 2000: Educate America Act, which became law in 1994 and was amended in 1996, is intended to promote coordinated improvements in the nation's education system at the state and local levels. All states and the District of Columbia, Puerto Rico, and the U.S. Territories are currently participating in the program.[5]

[5] Montana and Oklahoma do not participate at the state level. Awards are being made directly to local education agencies (LEA) on a competitive basis in these two states by the Department of Education.

Goals 2000 funds aim to support state efforts to develop clear standards for and comprehensive planning of school efforts to improve student achievement. Funds are provided through title III of the act and are to be used at the state and local levels to initiate, support, and sustain coordinated school reform activities. (See app. II for a listing of allocations.) States can retain up to 10 percent of the funds received each year, and the remainder is to be distributed to districts through a subgrant program.[6] States have up to 27 months to obligate funds; after this time, unobligated funds must be returned to the federal government.[7]

Goals 2000 requires states to award subgrants competitively. To comply with this component of the law, states' subgrant programs require districts to compete directly against one another for funding or compete against a standard set of criteria established by the state to determine levels of funding for individual applicants.[8] Some states weigh districts' subgrant proposals against one another and against standard criteria.

Prior to the 1996 amendments, Goals 2000 was criticized as being too directive and intrusive in state and local education activities. The act initially required that states submit their education reform plans to the Secretary of Education for review and approval before they could become eligible for grants. The Omnibus Consolidated Rescissions and Appropriations Act of 1996 amended the law by providing an alternative grant application process that did not include the Secretary of Education's approval of a state's education reform plan and eliminated some requirements for state reporting of information to the Department of Education. The amendment also allowed local districts in certain states to apply directly to the Department for Goals 2000 funds, even if their state did not participate at the state level.[9]

[6]On a few occasions, small amounts of additional funding have been provided to states by the Department of Education (from funds that went unallocated to other states) that, based on the Department's determination, were not subject to the 90-percent subgrant requirement.

[7]At the time of our review, many states had not completed spending their fiscal year 1997 funds. As a result, fiscal year 1997 data in this report are only partially complete.

[8]In one state, our review identified that no criteria or competitive process had been established and funds were being awarded to all districts on an allocation basis. According to the Department of Education, this state's 1998 allocation has been temporarily suspended but will be reinstated after the state has revised its funding process to a competitive grant format.

[9]The amendment also eliminated requirements related to the specific composition of Goals 2000 state panels, which were to be put in place to make policy decisions about the use of Goals 2000 funds and state reform activities.

As a result of the 1996 changes, the Goals 2000 program is essentially a funding-stream grant program with fiscal objectives.[10] These types of grants differ from performance-related grants, which have more immediate, concrete, and readily measurable objectives. Funding-stream grant programs often confine the federal role to providing funds and give broad discretion to the grantee. They are also the least likely of various grant types to have performance information. Goals 2000 does not have specific performance requirements and objectives, and the Department of Education has issued no regulations specifically related to performance by states and districts concerning their activities under Goals 2000. Rather, the Department of Education provides states the latitude to merge Goals 2000 funds with other funds from state and local sources to support state and local reform activities. However, the Department has identified objectives in its annual performance plan that it expects to achieve as a result of this program, along with other education programs.[11]

Goals 2000 Funds Support a Broad Range of Education Reform Efforts at the State and Local Levels

Goals 2000 funds, totaling about $1.25 billion for fiscal years 1994 through 1997, have supported a broad range of education reform activities at both the state and local levels.[12] Of this amount, states reported that about $109 million (9 percent) was retained at the state level where it was used for management, development of statewide standards, and other related purposes. The remaining funding was provided in the form of subgrants to local districts, consortia of districts, individual schools, and teachers. State program officials reported that subgrants supported a broad array of district efforts to promote education reform activities and keep up with new state standards and assessments. These efforts included developing district and school reform plans, aligning local curricula with new assessments, and promoting professional development activities for teachers. Subgrants, with few exceptions, were not used to support health-related activities. (See app. IV for additional information on state subgrants.)

[10] For a fuller discussion of the various types of federal grant programs, see Grant Programs: Design Features Shape Flexibility, Accountability, and Performance Information (GAO/GGD-98-137, June 22, 1998).

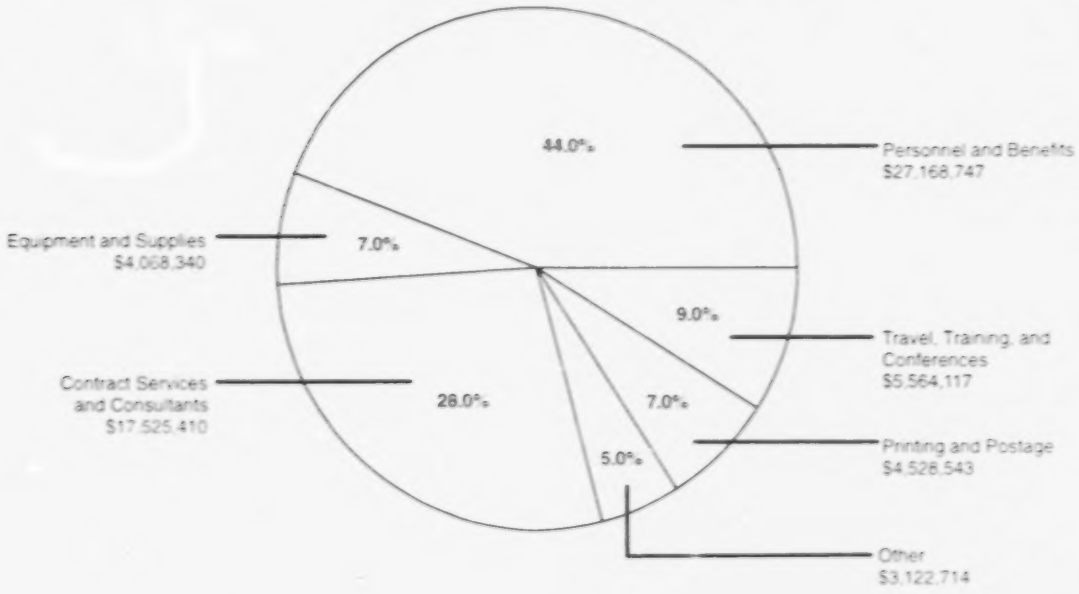
[11] The Department of Education identified goals and objectives in its Annual Performance Plan for fiscal year 1999 that indicate the expectation that this program, along with other education programs, will result in improved student achievement.

[12] Although the Department of Education has allocated about $1.25 billion in grants, states have spent or obligated only about $1 billion of the funds thus far. Information is currently incomplete from as many as seven states.

State-Retained Funds Helped Manage Subgrant Awards and Fund Special Projects

As permitted by the act, most states retained a portion of their total Goals 2000 funds at the state level and used it primarily to manage the subgrant program and support state-level activities. (See app. III for state-retained funds by cateogry and fiscal year.) Many states retained less than the maximum amount permitted, and a few states retained almost no funds at all. In some instances, state-retained funds were combined with subgrants to support local initiatives. In the 4-year period that we reviewed, states were able to provide detail on how $62 million in state-retained funds have been used. Of this amount, states primarily used Goals 2000 funds for personnel and benefits and contract services and consultants. (See fig. 1.) Funds were also used for training and travel; printing and postage; equipment and supplies; and rent, telephone, overhead, and other costs not classified elsewhere.

Figure 1: Identified State-Retained Funds, Total Fiscal Years 1994 Through 1997



The largest category of state-retained funds where detail was available was for funds reported as used for personnel and benefit costs (44 percent). These expenditures typically involved salaries and benefits for state-level

staff who managed the state's subgrant program and other state-sponsored education reform activities. Generally, these personnel were responsible for disseminating information on the Goals 2000 program, providing technical expertise to districts regarding grant requirements, assisting district personnel with proposal writing, reviewing districts' subgrant proposals, and managing the subgrant selection process. These staff also typically monitored subgrantees' expenditures and reviewed reports that subgrantees submitted regarding their projects.

The remaining state-retained funds where detail was reported were used for contract services, training and travel, printing and postage, equipment and supplies, and other activities. Contract services and consultant fees constituted about 28 percent of state-retained funds. These expenditures were often associated with state efforts to create new standards and assessments, develop new curricula in alignment with the standards, and use outside experts to research and develop these measures. Travel, training, and conference costs, accounting for about 9 percent of total expenditures, typically supported state Goals 2000 panel activities and training for teachers and administrators. These funds were also used to support state conferences designed to educate district and school officials about Goals 2000 and allow them to share information and collaborate on projects. Printing and postage made up 7 percent of state-retained funds, and funds used for equipment and supplies, such as purchasing computer hardware and software, made up another 7 percent. Other expenses—such as rent, telephone costs, overhead, and other costs not classified elsewhere—accounted for the remaining 5 percent of the identified funds.[11] The additional $47 million identified by states as having been retained at the state level had either not yet been spent or could not be identified in detail.

Most state officials said that Goals 2000 funding has been an important resource in their states' development of new standards and assessments, but they were unable to estimate how much future Goals 2000 funding they would need to complete these activities. Generally, officials said they were unqualified to make this estimate because their involvement in the state's overall education reform efforts was limited or they viewed the development of standards and assessments as an iterative process that will never be fully complete.

[11] Several states were not able to provide specific detail on amounts of funding retained at the state level. In these cases, the total amount of state-retained funds reported was placed in the "other" category.

Subgrants to Local School Districts Supported a Wide Range of Education Initiatives

We identified 16,375 local subgrants totaling over $1 billion that were awarded with funding provided in fiscal years 1994 through 1997.[14] As shown in table 1, the number of subgrants and total dollar amount of subgrant awards rose each year between fiscal years 1994 through 1996. (Amounts for fiscal year 1997 are incomplete because several states had not yet awarded their subgrants for that year at the time of our review.) Subgrants ranged from a $28 subgrant that funded a reading professional development activity in a single California school to a $6.1 million subgrant for fourth- to eighth-grade reading instruction awarded to the Los Angeles Unified school district. More than 34 percent of the 14,367 school districts nationwide that provide instructional services received at least one Goals 2000 subgrant during the 4-year period reviewed. Many districts received Goals 2000 funding for 2 or more of the years we reviewed.

Table 1: Subgrant Awards by Year, Fiscal Years 1994 Through 1997

Fiscal year	Number of states reporting data[a]	Total number of subgrants awarded	Total dollar amount of subgrants awarded	Range of subgrant awards
1994	49	1,777	$66,648,311	$751-1,594,040
1995	52	5,484	295,861,631	28-3,269,061
1996	52	4,892	340,697,814	200-6,149,234
1997	45	4,222	302,275,725	402-4,700,000

[a]Includes the District of Columbia and Puerto Rico.

Over the 4-year period reviewed, Goals 2000 subgrants funded several general categories of activities: local education reform projects, professional development, computer equipment and training, preservice training, and standards and assessments. Local education reform projects and professional development, the two largest categories, together account for about two-thirds of the subgrant funding. Some activities fell into a "crosscutting and other" category that reflected activities that had been combined or were too infrequent to categorize separately. In cases where states could not identify a single primary activity for a grant, we classified the grants as having had a crosscutting purpose. (See fig. 2.)

[14]The total number of subgrants awarded may have been higher, but some states were unable to provide complete information on their subgrant activity in some fiscal years.

Figure 2: Subgrant Categories and Dollar Amounts, Total Fiscal Years 1994 Through 1997

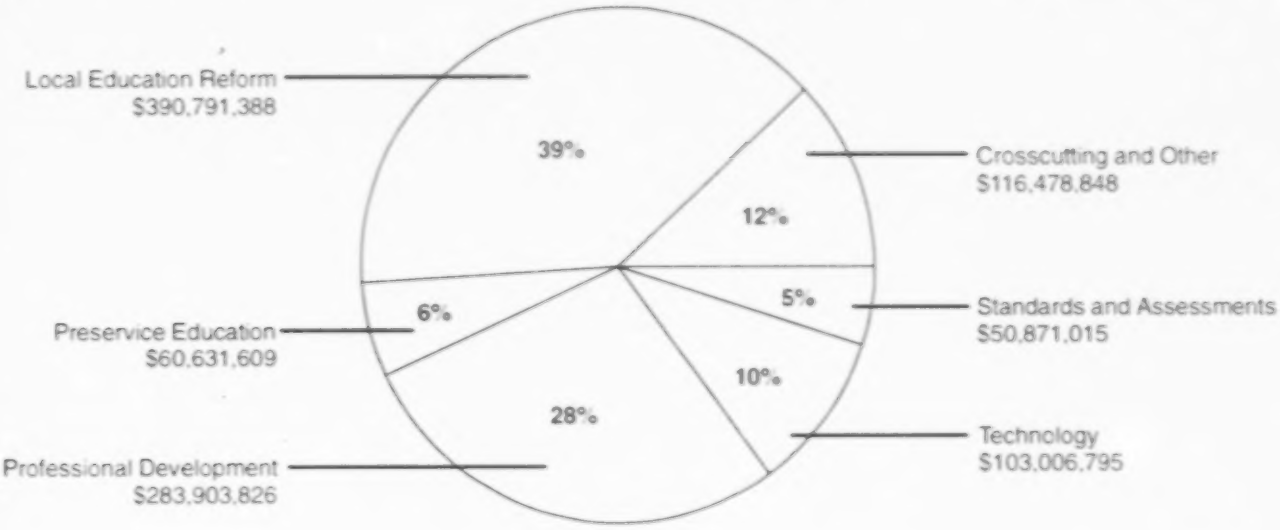


Table 2 summarizes some of the activities undertaken with subgrant funds under each of the general categories.

Table 2: Examples of Activities in the Subgrant Categories

Category	Activity
Local education reform	—Curriculum alignment with new state education reform plans —Local improvement plans —Parent and public engagement in reform efforts
Professional development	—Training for teachers to update their skills in new teaching practices —Enrichment courses for teachers and staff
Preservice training	—Training for university students who are preparing to become teachers —Mentoring programs for new teachers —Observation of and participation in teaching
Technology and training	—Purchase of computer hardware and software —Networking schools to the Internet for educational purposes —Training teachers to use new technology —Courses for teachers so that they use technology in their classrooms
Standards and assessments	—Standards for state and local education service areas —Designing or selecting an assessment system for state and local education service areas —Aligning curriculum with standards
Crosscutting and other	—Combinations of any of the above —Subgrants that could not be included in the other categories, such as conflict resolution and after-school tutoring programs

Local Education Reform

Local education reform activities, constituting about 39 percent of total subgrant funding, included activities such as the development of district improvement plans, alignment of local activities with new state education reform plans, and efforts to update curriculum frameworks. For example, Indiana awarded a subgrant to align curricula and instruction and to design and implement an improvement plan that allows secondary schools to build on foundations developed at the elementary schools. In Kentucky, state officials reviewed their comprehensive reform activity and concluded that their plan was missing a public engagement program for parents and community members that would sustain education reform. Thus, the state awarded subgrants to improve public information, boost parental understanding, increase families' understanding of technology, engage parents, and broaden the reach of the school into the community.

Professional Development

Professional development activities, representing about 28 percent of Goals 2000 subgrant funding over the 4-year period reviewed, included activities such as updating teacher skills in new teaching approaches and providing enrichment courses for teachers. For example, Tennessee provided a grant for 11 teachers to complete a year-long Reading Recovery training program in strategies to teach the most at-risk first-graders to

read. Teachers who participated in the training program subsequently used the strategies to help 63 of 89 at-risk first-graders progress to reading at a level comparable to the average of their class. In the Troy, New York, area, subgrants funded a series of professional development activities for staff providing inservice programs, a curriculum workshop, and training in the use of learning and telecommunications technologies as tools to support innovative instructional processes.

Preservice Training

Preservice training activities, which involved teachers-in-training and university programs conducting new teacher training, used about 6 percent of the subgrant funds. For example, subgrant projects funded mentor programs in Illinois, where up to 50 percent of new teachers leave the profession after 5 years. In Peoria, Goals 2000 funded a grant allowing education majors in local colleges to attend an educators' fair, observe classes, create projects for classroom use, and meet regularly with selected master teachers from the district. In Delaware, a subgrant funded technology and staff support for a preservice program that allowed second-year student teachers to teach during the day and attend courses by videoconference rather than driving long distances to the state's only university with a preservice training program.

Technology and Training

Subgrants for computer equipment and training—which are used to buy computer hardware and software, network schools to educational sites on the Internet, and train teachers and staff on the effective use of the new technology—amounted to about 10 percent of total funding. For example, a subgrant in Louisiana allowed a teacher to buy a graphing calculator, which could be used with an overhead projector to help low-performing math students better understand algebra. In some states, districts could purchase technology using Goals 2000 funds if the primary purpose of the subgrants involved meeting state education reform goals. Other states—including New Mexico, Kansas, and Wisconsin—permitted districts to purchase technology using Goals 2000 funds only if the equipment was closely tied to an education reform project. As one Wisconsin official stated, "Districts cannot purchase technology for technology's sake." A few states restricted technology purchases in 1 or more years. Oregon, for example, did not permit districts to purchase high-cost computer equipment using Goals 2000 subgrant funds. However, some states, such as Virginia and Alabama, required all subgrant projects to be associated with technology. Officials in these states told us that they had taken this approach because their states tied their education reform efforts to their state technology plans or because the approach was one of the least controversial purposes available for using Goals 2000 funds.

Standards and Assessments

Standards and assessments activities, accounting for about 5 percent of total subgrant funding, included funding for such activities as the development of standards, alignment of current curriculum standards with new state content standards, and the development of new or alternative assessment techniques. For example, state officials in New York said Goals 2000 funds are being used to clarify standards for the core curriculum and to prepare students for the state's regents examination for twelfth-graders—an examination all New York students must pass to graduate from high school. State staff were also developing new assessments using state-retained funds. With Goals 2000 funds, Texas funded the development and dissemination of its Texas Essential Knowledge and Skills (TEKS) program, which informs teachers about what students should know and be able to do. Goals 2000 paid for items such as a statewide public and committee review of TEKS and subsequent revisions; printing and distribution of TEKS following its adoption by the state board; and ongoing support, including statewide centers, resource materials and products, and training related to TEKS. In Louisiana, Goals 2000 project directors reported that teachers in a number of subgrant projects were able to experiment with alternative assessment techniques. Project directors reported that team planning and networking made possible by Goals 2000 grants encouraged more applied learning strategies and the use of alternative approaches to student evaluation, such as portfolios, applied problem solving (especially in math and science), the use of journals, checklists, and oral examinations.

Crosscutting and Other Initiatives

These subgrant activities associated with education reform, reflecting districts' crosscutting approaches to meeting education reform goals, accounted for the remaining 12 percent of subgrant funding. In many of these cases, state officials were unable to identify a single focus for subgrant activities because they reflected a combination of activities. Some subgrants, for example, combined development of a district improvement plan (a local education reform activity) with teacher education on the new curriculum (a professional development activity). In Pennsylvania, most of the $41 million in subgrants for the 4-year period had several different areas of focus, such as a district's $462,100 subgrant identified as being for the development and implementation of a local improvement plan, assessments, technology, and preservice teacher training and professional development.

Less than two-tenths of 1 percent of Goals 2000 subgrant funding was identified as being used to support health-related education activities. In the 31 subgrants specifically identified as being related to health issues,

most involved nutrition and hygiene education efforts that district officials believed were important to the preparedness of their students to learn. For example, a subgrant in New Mexico focused on making children healthier and used subgrant funds to implement a curriculum that taught children about health issues, such as dental care, nutrition, exercise, and problems associated with cigarette smoking and alcohol use. According to a state official, this proposal was in congruence with a comprehensive health component that state officials had originally included in the state's education reform plan because they believed that their reform effort should address barriers to learning.

State and Local Officials Believe Goals 2000 Funds Promote State Reform Efforts

Subgrants to local education agencies supported state education reform efforts. Professional development, preservice training, standards and assessments, and technology subgrants generally were aligned with state standards or reform priorities. Almost all state and local officials said Goals 2000 funds provided valuable assistance to education reform efforts at both the state and local levels and that, without this funding, some reform efforts either would not have been accomplished or would not have been accomplished as quickly. Some officials said Goals 2000 had been a catalyst for some aspect of the state's reform movement, though in most cases the funding served as an added resource for reform efforts already under way. State-level officials voiced strong support for the program's existing funding design.

State and Local Officials Believe That Goals 2000 Funds Have Furthered State Reform Efforts

Almost all of the state officials we interviewed told us that Goals 2000 funds furthered their state's and local districts' education reform efforts by providing additional funding that they could use to implement reform plans that they had already initiated. In many cases, state officials said that Goals 2000 state-retained funds or subgrant money allowed the state and districts to accomplish things that would not have been done—or would not have been done as quickly or as well—had it not been for the extra funding provided by Goals 2000. For example, one Oregon official said that Goals 2000 funding was the difference between "doing it and doing it right" and that, without Goals 2000 funds, the state would either not have been able to develop standards or would have had to settle for standards only half as good as the ones that were developed. For example, Goals 2000 funds allowed Oregon to bring in experts, partner with colleges, align standards, create institutes to help teachers with content standards, and articulate the curriculum to all teachers to prepare students for standardized testing. Local officials in Kentucky described how their Goals

2000 funded projects allowed them to make progress in meeting their new state standards and speed their reform efforts.

In several cases, state officials reported that Goals 2000 had served as a catalyst for a certain aspect of their reform efforts, such as the development of standards and assessments. For example, in Nevada, a state official said that Goals 2000 was a catalyst for developing content and performance standards that identified what, at a minimum, students would need to master at certain grade levels. Before Goals 2000, the state did not even have the terminology for standards-based reform. Goals 2000 brought terminology and a consistency of ideas regarding standards-based reform, he said. Goals 2000 was also a catalyst for education reform communication in Missouri. One state official reported that Goals 2000 was the vehicle that got schools and universities talking for the first time about issues such as student-teacher preservice training.

State and Local Officials Support the Current Flexibility of Goals 2000 Funds

While the scope of our work did not specifically include ascertaining the view of state education officials on the format of the Goals 2000 funding, most of the officials we interviewed expressed support for continuing the funding in its present format. The Congress has been considering changing the present format of Goals 2000 funding as part of ongoing discussions on how to better assist states in their education reform efforts. Almost every state official told us that flexibility is key to Goals 2000's usefulness in promoting state education reform because states could direct these funds toward their state's chosen education reform priorities. The current level of flexibility, officials told us, allowed states to use their state-retained funding according to self-determined priorities as well as structure their subgrant programs to mesh with their states' education reform plans. As one Washington state official said, Goals 2000 is laid out in the law with broad functions rather than with specific programs, which has had an impact in bringing schools and districts together to increase standards and prioritize issues rather than developing program "stovepipes." A state official from Arizona said that the flexibility permitted in determining how funds will be used allows states that are at different points in the reform process to use the funds according to their own needs—an especially important feature given the wide variation among states with respect to education reform progress. In New York, local and state officials described the Goals 2000 funding as being valuable because it allowed the state to react quickly to problems and opportunities. As one official stated, "It allows you to change the tire while the car is moving."

Further, several state officials told us that they did not want more program flexibility, such as placing the funding into block grants that could be used for many purposes in addition to education reform. Generally, these state officials wanted the funding criteria to remain as they are with funds dedicated to systemic education reform purposes at a broad level but permitting flexibility at the state and local levels to determine what would be funded within that broad purpose. For example, Louisiana state officials said that they feared the funding would be used in lieu of current state spending if it were not earmarked for education reform and that this would reduce the level of reform that would occur in the state. In Nevada, an official told us that he did not want Goals 2000 funds to be more flexible because he thought this would cause the state to lose the focus on the standards and improved learning that it has had under Goals 2000.

Conclusions

Title III of Goals 2000 provided more than $1.25 billion from fiscal years 1994 through 1997 for broad-based efforts to promote systemic improvements in education. State and local officials believe that Goals 2000 funding has served a useful purpose by helping states to promote and sustain their individual education reform efforts over the past 4 years. While the state-retained portion of funding allowed states to employ staff to coordinate overall reform efforts, the bulk of the funding was distributed as subgrants to thousands of local districts where, according to state and local officials, it enhanced their ability to develop education reform projects, professional development activities, preservice training, and new standards and assessments.

Goals 2000 funds have provided an additional resource to enhance education reform efforts and helped states promote and accomplish reforms at an accelerated pace—which state officials believed would not have occurred without this funding. By giving states the flexibility to target funds toward their own education reform goals, states were able to direct funds toward their greatest priorities within the broad constraints of the law. While a program such as this, which entails great latitude in the use of funds and requires little in the way of reporting requirements, reduces some of the states' accountability for process and results, Goals 2000 appears to be accomplishing what the Congress intended—providing an additional and flexible funding source to promote coordinated improvements to state and local education systems.

Agency Comments and Our Evaluation

The Department of Education provided written comments on a draft of this report. The Department said that our report represents the most comprehensive review to date of state and local activities supported under Goals 2000 and that it would find this information extremely informative in its consideration of reauthorization proposals. Staff from the Goals 2000 office provided technical comments that clarified certain information presented in the draft, which we incorporated as appropriate. The Department of Education's comments appear in appendix V.

Copies of this report are being sent to the Secretary of Education and interested congressional committees. We will also make copies available to others upon request. If you have questions about this report, please call me or Harriet Ganson, Assistant Director, on (202) 512-7014. Other major contributors to this report are listed in appendix VI.

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Director, Education and
Employment Issues

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Abbreviations

ESEA	Elementary and Secondary Education Act of 1965
LEA	local education agencies
TEKS	Texas Essential Knowledge and Skills

Objectives, Scope, and Methodology

We were asked to (1) review the purposes for which Goals 2000 state-retained funds have been used, (2) determine what local projects have been funded using Goals 2000 funds, (3) determine state officials' views about how Goals 2000 relates to state reform, (4) ascertain how much of Goals 2000 funds have been used for developing standards and assessments and what future support is needed for these purposes, and (5) find to what extent Goals 2000 funds have been used for health education activities. For reporting purposes, we combined those questions into two broader objectives: (1) how Goals 2000 funds have been spent at both the state and local levels, including the levels of funding for developing standards and assessments as well as health education, and (2) how state and local officials view Goals 2000 as a means to promote education reform efforts.

To conduct our work, we visited 10 states and interviewed federal, state, and local officials in these states. We also reviewed documents from the Department of Education, state departments of education, and the Council of Chief State School Officers; surveyed Goals 2000 coordinators in all states; analyzed quantitative and qualitative data from federal and state Goals 2000 offices and from independent audits; and reviewed the statutory and regulatory requirements of the Goals 2000 program.

Data Collection

To obtain information about each assignment objective, we conducted site visits to 10 states, which account for over 32 percent of the 4-year total Goals 2000 funding under review. The sites visited were California, Delaware, Illinois, Kentucky, Louisiana, Maryland, New York, Oregon, South Carolina, and the District of Columbia. The selection of these sites was made on the basis of the 10 states' funding allocations and geographic representation, the number of subgrants awarded, activities we became aware of during our review, and recommendations of the Department of Education and Council of Chief State School Officers.

At each site visit location, we interviewed state, district, and school officials to obtain comprehensive and detailed information about how the program has been used to promote education reform. At the state level, we spoke with various officials including state superintendents, Goals 2000 coordinators and staff, and financial officials. At the district level, we spoke with representatives of 71 districts. These included district superintendents, finance or budget officials, district staff, teachers, and students. In addition to the site visits, we also conducted comprehensive telephone interviews with state Goals 2000 coordinators. Both the

telephone interviews and the site visits were used to obtain information on how each state has used Goals 2000 funding to support education reform. These interviews also included queries on subgrant selection criteria and processes, financial and programmatic monitoring, and evaluation efforts.

We surveyed each state, the District of Columbia, and Puerto Rico to obtain financial and programmatic documentation of their Goals 2000 program. (Although small amounts of Goals 2000 funds are provided to the U.S. Territories and the Bureau of Indian Affairs, we did not review their programs.) We collected this documentation, reviewed it, and cross-checked it with documents and funding reports from the Department of Education and the Council of Chief State School Officers. We also clarified any discrepancies found in the data during our interviews. Documentation provided to us included requests for proposals, state reform plans, progress reports, budget and expenditure reports, and applicable audits. We also gathered and analyzed subgrant summaries from each state containing the name of the recipient, category of the subgrant, and subgrant amounts for all subgrants supported by Goals 2000 funds from fiscal years 1994 through 1997. (See app. IV.) For various reasons, several states were unable to provide details on state-retained funds, subgrant data, or both for 1 or more years.

We reviewed title III of the Goals 2000: Educate America Act and analyzed regulations pertinent to the program. This review provided the foundation from which we analyzed the information collected. In conducting the data collection, we relied primarily on the opinions of the officials we interviewed and the data and supporting documents they provided. Although we did not independently verify this information, we requested copies of all state audits pertaining to Goals 2000 and reviewed those we received for relevant findings. We also reviewed, for internal consistency, the data that officials provided us and sought clarification where needed. We did not attempt to determine the effectiveness of the various grant-funded activities or measure the outcomes achieved by the funded projects. We conducted our work in accordance with generally accepted government auditing standards between November 1997 and October 1998.

Goals 2000 Allocations by State

From fiscal years 1994 through 1997, a total of $1,262,740,153 was allocated to the states and the District of Columbia and Puerto Rico. The smallest allocation was $370,124 to Wyoming in 1994; the largest was $54,659,343 to California in 1997. (See table II.1.)

Table II.1: Goals 2000 Allocations by State, Fiscal Years 1994 Through 1997

	Fiscal year				
State	**1994**	**1995**	**1996**	**1997**	**Total**
Alabama	$1,601,966[1]	$6,054,270	$5,677,245	$7,873,908	**$21,207,389**
Alaska	459,903	1,576,670	1,437,615	2,012,267	**5,486,455**
Arizona	1,362,358	5,553,830	5,039,674	7,200,481	**19,156,343**
Arkansas	991,579	3,719,610	3,435,580	4,789,324	**12,936,093**
California	10,524,929	42,909,245	39,219,914	54,659,343	**147,313,431**
Colorado	1,085,028	4,369,790	3,923,495	5,573,529	**14,951,842**
Connecticut	960,721	3,526,340	3,150,294	4,460,763	**12,098,118**
Delaware	405,701	1,316,043	1,243,204	1,741,192	**4,706,140**
District of Columbia	476,000	1,552,282	1,353,518	1,901,747	**5,283,547**
Florida	4,026,309	16,161,475	14,716,895	20,970,760	**55,875,442**
Georgia	2,360,625	9,129,136	8,516,902	12,158,905	**32,165,568**
Hawaii	417,148	1,407,840	1,307,959	1,828,675	**4,961,622**
Idaho	886,746	3,280,645	3,078,560	4,251,947	**11,497,898**
Illinois	4,142,656	16,295,422	15,054,163	20,905,456	**56,397,697**
Indiana	1,734,498	6,681,414	6,282,288	8,768,489	**23,466,689**
Iowa	886,746	3,280,645	3,078,560	4,251,947	**11,497,898**
Kansas	864,615	3,254,439	3,100,308	4,352,008	**11,572,370**
Kentucky	1,477,200	5,884,600	5,550,721	7,734,973	**20,647,494**
Louisiana	2,066,082	8,118,921	7,643,793	10,544,733	**28,373,529**
Maine	506,866	1,678,755	1,535,744	2,141,683	**5,863,048**
Maryland	1,448,309	5,481,901	5,017,226	7,071,077	**19,018,513**
Massachusetts	1,881,814	7,123,273	6,243,845	8,835,996	**24,084,928**
Michigan	3,626,515	14,643,573	13,656,573	19,033,056	**50,959,717**
Minnesota	1,387,624	5,479,003	5,063,215	7,094,888	**19,024,730**
Mississippi	1,359,516	5,191,379	4,865,959	6,724,962	**18,141,816**
Missouri	1,691,269	6,649,580	6,133,433	8,597,276	**23,071,558**
Montana[2]	449,712	1,589,716	1,459,914	2,039,546	**5,538,868**
Nebraska	567,422	2,023,745	1,834,757	2,671,195	**7,097,119**
Nevada	410,095	1,448,962	1,303,331	1,864,347	**5,023,735**
New Hampshire[2]	0	1,314,770	1,232,612	1,724,433	**4,271,815**
New Jersey	2,447,997	8,959,127	7,905,923	11,105,340	**30,418,387**

(continued)

State	Fiscal year 1994	1995	1996	1997	Total
New Mexico	741,603	2,834,938	2,610,818	3,683,782	**9,871,141**
New York	7,173,261	27,625,424	25,363,949	35,354,141	**95,516,775**
North Carolina	2,062,239	7,891,862	7,281,928	10,303,810	**27,539,839**
North Dakota	406,274	1,366,000	1,260,263	1,763,429	**4,795,966**
Ohio	3,715,308	15,114,621	14,230,028	19,789,214	**52,849,171**
Oklahoma[b]	1,153,998	4,479,897	4,176,732	5,808,148	**15,618,775**
Oregon	1,046,640	4,088,391	3,800,805	5,300,049	**14,235,885**
Pennsylvania	4,074,763	15,823,266	14,467,654	20,231,189	**54,596,872**
Puerto Rico	2,383,988	9,790,689	9,066,087	12,587,532	**33,828,296**
Rhode Island	442,261	1,508,059	1,359,970	1,898,319	**5,208,609**
South Carolina	1,274,631	4,799,581	4,512,625	6,250,267	**16,837,104**
South Dakota	426,975	1,439,331	1,310,208	1,832,682	**5,009,196**
Tennessee	1,677,460	6,508,803	6,000,784	8,432,741	**22,619,788**
Texas	7,293,999	29,781,653	27,193,507	38,173,252	**102,442,411**
Utah	709,092	2,636,105	2,453,502	3,427,464	**9,226,163**
Vermont	406,722	1,296,994	1,226,015	1,715,622	**4,645,353**
Virginia	0	0	6,201,681	8,684,679	**14,886,360**
Washington	1,581,128	6,448,910	6,058,289	8,475,603	**22,563,930**
West Virginia	778,396	2,852,237	2,789,041	3,818,889	**10,238,563**
Wisconsin	1,682,771	6,706,799	6,321,579	8,795,965	**23,507,114**
Wyoming	370,124	1,286,866	1,224,422	1,712,611	**4,594,023**
Total	**91,909,582**	**359,933,827**	**337,973,110**	**472,923,634**	**1,262,740,153**

[a]State officials in Alabama report that $1,506,644 of the 1994 allocation was returned to the federal government.

[b]Fiscal year 1995 and fiscal year 1996 funds were awarded directly to LEAs in Montana, New Hampshire, and Oklahoma on a competitive basis. Direct awards are also being made to LEAs in Montana and Oklahoma with respect to fiscal year 1997 and fiscal year 1998 funds.

Source: Department of Education, Goals 2000: Reforming Education to Improve Student Achievement (Washington, D.C.: Apr. 30, 1996).

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State-Retained Funds, Fiscal Years 1994 Through 1997

The Goals 2000: Educate America Act permits states to retain a portion of their total Goals 2000 funds at the state level—up to 40 percent in fiscal year 1994 and 10 percent thereafter—to develop state reform plans and engage in statewide activities. States primarily use this portion to manage the district subgrant program and support state-level activities. Many states retained less than the maximum amount permitted, and a few states retained almost no funds at all. As shown in table III.1 below, states primarily used Goals 2000 funds for personnel and benefits; contract services and consultants; and, to a lesser extent printing, travel, equipment, training, supplies, and conferences. Other expenses such as rent, telephone, and postage (along with indirect and other costs not elsewhere classified) accounted for the remainder. In cases where states could not provide specific categorizations for the state-retained funds they reported, these amounts were included in the "other" category.

Table III.1: State-Retained Funds, Fiscal Years 1994 Through 1997

	Fiscal year					
Category	1994	1995	1996	1997	Total	Percentage of total
Personnel	$5,655,049	$5,869,961	$5,711,944	$5,400,909	$22,637,863	36.53%
Contract services	2,934,267	3,369,512	3,216,021	1,318,346	12,118,136	19.55
Consultants	969,623	1,660,080	1,574,329	1,203,242	5,407,274	8.72
Benefits	1,170,762	1,234,397	1,084,094	1,041,630	4,530,884	7.31
Printing	577,852	1,348,905	1,133,977	583,514	3,644,249	5.88
Travel	883,918	633,761	607,234	495,844	2,680,837	4.33
Indirect costs	694,584	947,092	272,712	520,714	2,435,102	3.93
Equipment	442,752	748,424	662,626	523,184	2,376,987	3.84
Supplies	272,218	432,879	390,065	596,191	1,691,353	2.73
Training	102,709	169,014	190,766	1,040,954	1,601,443	2.58
Conferences	284,558	396,752	195,763	404,764	1,281,837	2.07
Postage	159,972	320,662	208,622	195,038	884,295	1.43
Telephone	79,847	55,090	106,128	106,017	347,082	0.56
Rent	76,388	79,533	92,566	91,994	340,530	0.55
Total identified	14,362,493	18,046,142	15,446,836	14,122,344	61,977,871	100
Other	7,973,654	10,027,963	11,256,353	18,192,127	47,450,101	
Total	$22,336,147	$28,074,105	$26,703,249	$32,314,470	$109,427,972	

State Subgrant Summary, Fiscal Years 1994 Through 1997

This appendix provides state-by-state information on subgrants made to local school districts and other organizations. Table IV.1 shows the number and amount of subgrants in total for each state, table IV.2 shows the number of subgrants by category for each state, and table IV.3 shows the dollar amounts of subgrants by category for each state.

Table IV.1: Total Number and Amount of Subgrants by State, Fiscal Years 1994 Through 1997

State	Total number of subgrants reported	Total amount of subgrants reported
Alabama	252	$19,979,167
Alaska	92	4,353,861
Arizona	603	17,641,591
Arkansas	220	10,845,633
California	1,645	127,283,487
Colorado	185	10,966,855
Connecticut	497	10,296,998
Delaware	47	4,308,188
District of Columbia	113	2,815,985
Florida	205	48,299,495
Georgia	372	29,441,191
Hawaii	53	3,214,053
Idaho	71	4,994,666
Illinois	574	49,842,639
Indiana	319	14,587,431
Iowa	105	9,867,688
Kansas	414	9,525,297
Kentucky	313	17,839,264
Louisiana	402	24,323,719
Maine	257	5,191,358
Maryland	62	12,011,569
Massachusetts	1,065	15,766,493
Michigan	418	45,263,295
Minnesota	1,076	14,813,650
Mississippi	120	5,920,801
Missouri	332	6,468,765
Montana	71	5,355,985
Nebraska	103	5,804,004
Nevada	39	2,652,868
New Hampshire	92	5,737,061
New Jersey	147	19,262,471

(continued)

State	Total number of subgrants reported	Total amount of subgrants reported
New Mexico	149	8,620,386
New York	768	82,564,903
North Carolina	257	23,460,901
North Dakota	115	3,598,666
Ohio	684	34,548,585
Oklahoma	136	14,337,184
Oregon	207	11,705,396
Pennsylvania	343	41,244,436
Puerto Rico	195	25,936,183
Rhode Island	119	4,386,528
South Carolina	286	14,589,041
South Dakota	310	3,971,400
Tennessee	481	20,043,462
Texas	833	96,091,946
Utah	136	8,685,960
Vermont	182	3,770,013
Virginia	264	14,578,163
Washington	280	11,850,327
West Virginia	209	5,278,253
Wisconsin	134	9,292,200
Wyoming	83	2,454,019
Total	**16,375**	**$1,005,683,480**

Table IV.2: Total Number of Subgrants by Category, by State, Fiscal Years 1994 Through 1997

State	LEA reform	Preservice training	Professional development	Technology	Standards and assessments	Crosscutting and other	Total
Alabama	0	0	0	252	0	0	**252**
Alaska	35	0	0	0	0	57	**92**
Arizona	603	0	0	0	0	0	**603**
Arkansas	109	17	94	0	0	0	**220**
California	338	40	1,244	1	0	22	**1,645**
Colorado	43	2	35	20	53	32	**185**
Connecticut	300	3	78	43	62	11	**497**
Delaware	6	0	2	39	0	0	**47**
District of Columbia	91	1	4	16	1	0	**113**
Florida	57	48	25	16	10	49	**205**
Georgia	371	0	0	0	0	1	**372**
Hawaii	19	2	4	3	2	23	**53**
Idaho	18	0	5	0	0	48	**71**
Illinois	285	46	192	51	0	0	**574**
Indiana	162	31	125	1	0	0	**319**
Iowa	66	12	23	1	1	2	**105**
Kansas	275	112	8	19	0	0	**414**
Kentucky	226	15	63	9	0	0	**313**
Louisiana	304	19	56	4	15	4	**402**
Maine	225	10	16	0	0	6	**257**
Maryland	60	0	1	0	1	0	**62**
Massachusetts	137	164	751	0	0	13	**1,065**
Michigan	180	16	218	3	0	1	**418**
Minnesota	66	0	31	0	0	919	**1,016**
Mississippi	54	7	51	0	0	8	**120**
Missouri	42	9	59	5	196	21	**332**
Montana	37	1	13	14	2	4	**71**
Nebraska	27	0	40	12	24	0	**103**
Nevada	18	3	18	0	0	0	**39**
New Hampshire	34	0	2	21	2	33	**92**
New Jersey	90	0	21	15	21	0	**147**
New Mexico	57	13	78	0	0	1	**149**
New York	150	42	533	20	18	5	**768**
North Carolina	50	0	107	49	12	39	**257**
North Dakota	46	3	29	13	2	22	**115**
Ohio	172	32	2	0	327	151	**684**

(continued)

State	LEA reform	Preservice training	Professional development	Technology	Standards and assessments	Crosscutting and other	Total
Oklahoma	60	4	24	34	2	12	**136**
Oregon	0	0	0	0	0	207	**207**
Pennsylvania	27	0	11	24	24	257	**343**
Puerto Rico	45	12	87	20	1	30	**195**
Rhode Island	38	19	37	0	6	19	**119**
South Carolina	5	1	3	1	276	0	**286**
South Dakota	74	1	1	234	0	0	**310**
Tennessee	187	8	67	219	0	0	**481**
Texas	731	3	76	15	7	1	**833**
Utah	8	10	99	12	2	5	**136**
Vermont	139	0	13	9	20	1	**182**
Virginia	0	0	0	264	0	0	**264**
Washington	206	19	55	0	0	0	**280**
West Virginia	88	0	9	14	3	95	**209**
Wisconsin	40	27	16	11	35	5	**134**
Wyoming	41	0	0	42	0	0	**83**
Total	**6,442**	**752**	**4,426**	**1,526**	**1,125**	**2,104**	**16,375**

Table IV.3: Total Dollar Amounts for Subgrants by Category, by State, Fiscal Years 1994 Through 1997

State	LEA reform	Preservice training	Professional development	Technology	Standards and assessments	Crosscutting and other	Total
Alabama	$0	$0	$0	$19,979,167	$0	$0	**$19,979,167**
Alaska	765,284	0	0	0	0	3,588,577	**4,353,861**
Arizona	17,641,591	0	0	0	0	0	**17,641,591**
Arkansas	4,734,317	1,053,405	5,057,911	0	0	0	**10,845,633**
California	30,189,540	9,828,655	77,565,292	4,700,000	0	5,000,000	**127,283,487**
Colorado	2,731,101	6,610	3,853,198	179,871	3,503,798	692,277	**10,966,855**
Connecticut	6,534,184	90,000	1,771,863	620,172	1,155,831	124,948	**10,296,998**
Delaware	1,297,234	0	117,610	2,893,344	0	0	**4,308,188**
District of Columbia	964,500	102,541	342,944	226,000	1,180,000	0	**2,815,985**
Florida	11,168,839	11,808,289	5,488,269	6,859,187	2,469,835	10,505,076	**48,299,495**
Georgia	29,278,703	0	0	0	0	162,488	**29,441,191**
Hawaii	1,200,272	48,541	186,584	231,421	99,084	1,448,151	**3,214,053**
Idaho	627,202	0	330,000	0	0	4,037,464	**4,994,666**
Illinois	24,133,099	2,106,213	16,357,091	7,246,236	0	0	**49,842,639**
Indiana	7,132,026	1,974,971	5,466,434	14,000	0	0	**14,587,431**
Iowa	5,330,172	1,824,960	2,091,410	21,146	350,000	250,000	**9,867,688**
Kansas	3,835,802	3,979,706	177,707	1,532,082	0	0	**9,525,297**
Kentucky	14,042,329	403,200	2,931,845	461,890	0	0	**17,839,264**
Louisiana	18,975,893	1,625,912	2,405,537	289,999	530,000	496,372	**24,323,719**
Maine	4,706,458	169,900	220,000	0	0	95,000	**5,191,358**
Maryland	11,551,569	0	210,000	0	250,000	0	**12,011,569**
Massachusetts	1,988,148	3,647,146	10,014,784	0	0	116,415	**15,766,493**
Michigan	14,984,882	1,352,353	28,161,525	749,535	0	15,000	**45,263,295**
Minnesota	944,639	0	1,331,371	0	0	12,537,640	**14,813,650**
Mississippi	2,811,500	425,000	2,450,301	0	0	234,000	**5,920,801**
Missouri	955,999	232,199	1,381,673	67,106	3,438,930	392,858	**6,468,765**
Montana	3,168,305	22,483	950,071	716,109	150,811	348,206	**5,355,985**
Nebraska	1,224,604	0	2,733,985	329,720	1,515,695	0	**5,804,004**
Nevada	950,677	437,719	1,264,472	0	0	0	**2,652,868**
New Hampshire	1,902,224	0	63,213	1,660,183	170,071	1,941,370	**5,737,061**
New Jersey	11,818,835	0	2,938,788	2,009,116	2,495,732	0	**19,262,471**
New Mexico	2,385,143	590,725	5,636,003	0	0	8,515	**8,620,386**
New York	15,927,003	6,909,568	51,374,835	3,214,579	3,326,119	1,812,799	**82,564,903**
North Carolina	4,971,712	0	9,269,825	4,688,318	1,223,570	3,307,476	**23,460,901**
North Dakota	933,471	80,425	835,599	369,157	70,700	1,309,314	**3,598,666**

(continued)

State	LEA reform	Preservice training	Professional development	Technology	Standards and assessments	Crosscutting and other	Total
Ohio	7,365,326	5,438,083	70,403	0	8,236,835	13,437,938	**34,548,585**
Oklahoma	7,696,935	354,229	2,365,283	2,827,453	143,840	949,444	**14,337,184**
Oregon	0	0	0	0	0	11,705,396	**11,705,396**
Pennsylvania	2,149,965	0	760,000	2,780,000	955,206	34,599,265	**41,244,436**
Puerto Rico	6,661,302	865,606	11,541,261	4,019,045	50,000	2,798,969	**25,936,183**
Rhode Island	1,724,988	415,255	648,326	0	308,270	1,289,689	**4,386,528**
South Carolina	390,565	7,000	169,000	13,000	14,009,476	0	**14,589,041**
South Dakota	838,400	40,000	40,000	3,053,000	0	0	**3,971,400**
Tennessee	5,433,687	319,768	3,026,888	11,263,119	0	0	**20,043,462**
Texas	81,125,501	274,144	11,107,728	1,468,336	1,616,237	500,000	**96,091,946**
Utah	646,975	702,425	5,994,749	920,564	187,506	233,741	**8,685,960**
Vermont	2,676,342	0	247,631	198,071	633,469	12,500	**3,770,013**
Virginia	0	0	0	14,578,163	0	0	**14,578,163**
Washington	6,072,482	1,611,628	4,166,217	0	0	0	**11,850,327**
West Virginia	2,255,642	0	214,300	308,676	78,500	2,421,135	**5,278,253**
Wisconsin	3,582,525	1,882,950	571,900	426,500	2,721,500	106,825	**9,292,200**
Wyoming	361,489	0	0	2,092,530	0	0	**2,454,019**
Total	**$390,791,388**	**$60,631,609**	**$283,903,826**	**$103,006,795**	**$50,871,015**	**$116,478,848**	**$1,005,683,480**

Comments From the Department of Education

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION
THE ASSISTANT SECRETARY

OCT 21

Ms. Carlotta C. Joyner, Director
Education and Employment Issues
United States General Accounting Office
Washington, D.C. 20548

Dear Ms. Joyner:

Secretary Riley has asked me to respond to your request for comments on the draft report, Goals 2000: Flexible Federal Funding Supports State & Local Education Reform. The Department has reviewed this report and is very pleased with it. The study represents the most comprehensive review to date of State and local activities supported under Goals 2000. The comments by State and local officials cited in the report concerning the value of the program as a flexible, yet focused, impetus for systemic education reform are consistent with the comments that the Department has received during recent forums, regional hearings, and in written responses to a notice in the ***Federal Register*** (published June 3, 1998) concerning reauthorization of Goals 2000 and the Elementary and Secondary Education Act. We find this information extremely informative in aiding our consideration of reauthorization proposals.

The Department also appreciates the effort made by the individuals who developed the report to deepen their understanding of the Goals program and systemic education reform by attending the Improving America's Schools regional conferences (Fall, 1997), interviewing federal program administrators, and reviewing extensive materials concerning education reform prior to undertaking the study.

Sincerely,

Gerald N. Tirozzi

600 INDEPENDENCE AVE., S.W. WASHINGTON, D.C. 20202-6140

Our Mission is to ensure equal access to education and to promote educational excellence throughout the Nation.

GAO Contacts and Staff Acknowledgments

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Acknowledgments

In addition to those named above, the following individuals made important contributions to this report: Dawn Hoff collected and analyzed state information and drafted major sections of the report, Sonya Harmeyer collected state information and had a lead role in analyzing and developing graphic presentations of the data, Richard Kelley gathered and assisted in the analysis of information from states and the Department of Education, Edward C. Shepherd and Jennifer Pearl assisted in data collection activities, Edward Tuchman provided assistance in analyzing and verifying data, Stanley Stenersen assisted in structuring and reviewing the draft report, and Jonathan Barker of the Office of the General Counsel provided legal assistance.

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